

# Stop-Loss

The following standard is provided to assist the insurer in submitting a filing. This is a brief synopsis and not intended to be all-inclusive or contain all requirements or exceptions. All references should be reviewed for compliance. References beginning with “31A” refer to Utah Code Annotated (U.C.A.) and those beginning with “R590” refer to department rules under Utah Administrative Code (U.A.C.). As required by U.C.A. § 31A-21-201(2), the insurer is responsible for assuring that all filings submitted are in compliance. Filings found to be out of compliance may be referred to our Market Conduct Division for review and possible action.

## Filing

Subject	Citation	Description
Confidentiality / Classification of Documents	63G-2-309 R590-220-16	An issuer may consider some of the information filed to be privileged, proprietary, or confidential. A request shall be submitted for protection classification that complies with Section 63G-2-305 when the filing is submitted.
Filing Submission	31A-21-201 R590-220 R590-268	A licensee and filer are responsible for assuring that a filing, as defined in R590-220-4(10), is in compliance with Utah laws and rules. Non-compliant filings will be rejected and not considered filed with the department.
Form Number	R590-220-7(1)(b)	Each form must be clearly identified by a unique form number, and the form number shall not be variable.
Variability	R590-220-6(4)(f) R590-220-7	All variable data must be bracketed and with an explanation, either by imbedding in the form, or by a separate form identified by its own unique form number and edition date. Changes to the variable data must be refiled prior to use. Blank spaces must be completed in John Doe fashion.

## General

Subject	Citation	Description
Age	31A-22-613 R590-126-6(8)	If age is used as a determining factor affecting premium or coverage it must be disclosed.
Application	31A-21-201(3)(a)(iii)	The application must conspicuously provide the insurers exact name and domicile state. Questions and required statements must be in compliance.
Arbitration	31A-21-313 & 314 R590-122	If included, a permissible arbitration provision shall be properly disclosed in the policy, certificate, application, and enrollment forms. It may not deprive Utah courts of jurisdiction over an action against an insurer. Permissible: -Optional binding arbitration at the exclusive election of an insured party. -Both compulsory and optional binding arbitration at the election of either the insured or the insurer. NOT permissible: -Compulsory non-binding arbitration
Cancellation, Renewability, and Termination	31A-22-716 R590-126-5(3)	Each policy shall include a renewal or non-renewal provision. Such provision shall be appropriately captioned, and shall appear on the first page of the policy. When discontinuing or non-renewing a plan the issuer shall include the number of policyholders, covered lives affected, and identify plan(s) currently marketed with the most similar replacement.
Certificate	31A-21-311	The certificate shall contain a summary of all the benefits, exclusions and limitations, and any rights of conversion.
Claim Settlement	31A-26-301.6 R590-192	Provide fair and rapid settlement of claims and protection of claimants from unfair claims settlement practices. Interest must be paid when claim is not paid timely.
Company Name	31A-21-201, 301 & 311	The exact name of the insurer and its state of domicile must appear conspicuously in the policy, certificate, application, and any other applicable forms. Variability is not permitted.
Definitions	31A-1-301	Forms must comply with these definitions, the Uniform Glossary, and any others as applicable.
Endorsement or Rider	31A-21-106 R590-126-6(3) & (4)	A contract may not be modified unless it is in writing and requires a signed acceptance by the policyholder. If additional premiums are charged for endorsement benefits, the premium shall be disclosed on the policy or certificate.
Grace Period	31A-22-607	Policies shall provide a grace period. An in-force policy cannot be terminated prior to the end of the grace period. Group policies must provide a 30 day grace period and remain in-force.
Incontestability	31A-22-609	Only a fraudulent misstatement regarding insurability is a basis for avoidance after coverage has been in effect for two years.
Incorporation by Reference	31A-21-106 Bulletin 94-1	A form may not incorporate any provision not fully disclosed, unless citing a federal or state law, rule, or public directive.
Jurisdiction	31A-21-314	Policy cannot contain any provision requiring it to be construed according to the laws of another jurisdiction, or deny Utah courts jurisdiction.
Limitation of Actions	31A-21-313	No action may be brought against an insurer until the earlier of: 60 days after proof of loss, waiver by the insurer of proof of loss, or the insurer's denial of full payment, and shall commence within three years after the inception of the loss.
Notice and Proof of Loss	31A-21-312 Bulletin 87-6	Proof of loss provision must allow the insured or claimant to file the notice and/or proof of loss as soon as reasonably possible. Failure to give any notice or file any proof of loss within the time specified neither invalidates a claim nor does it bar recovery under the policy.

Physical Exam	31A-21-201	If an insurer requires a physical exam, the insurer must pay for such exam.
Reinstatement	31A-22-608	Required reinstatement provision.
Return of Premium	31A-21-302 31A-21-315	Any excess premium must be returned and does not have to be requested.
<b>Specific</b>		
<b>Subject</b>	<b>Citation</b>	<b>Description</b>
Alignment with Health Benefit Plan	31A-43-301(1)(d)	Any exclusions or provisions within the Stop-Loss policy, need to be aligned with the employer's health benefit plan.
Attachment Point	31A-43-301	Aggregate attachment points may not be less than 85% of expected claims. Specific attachment may not be less than \$10,000.
Contract Type	31A-43-301(g) 31A-43-301(2)(b)	Stop-loss contracts must at a minimum cover claims incurred during a 12 month period and paid within 12 months of the contract expiration date (e.g. 12/24 coverage).
Lasering	31A-43-301(2) R590-286-6	Any form of lasering is prohibited.
Stop-Loss Disclosure	R590-268-5 31A-43-303	Insurers shall use the Small Employer Stop Loss Disclosure. If the disclosure is modified in any manner, it shall be filed with the department.
<b>Rating</b>		
<b>Subject</b>	<b>Citation</b>	<b>Description</b>
Guaranteed Rates	31A-43-301(1)(b)	Unless the employer makes changes to their health benefit plan, stop loss rates must be guaranteed within the policy for a period of at least 12 months.
Requirements	31A-43-302 R590-268-7	All rate filings must contain -Rating Methodology -Prior rate related SERFF tracking numbers -Other information as required in the code
<b>Reporting</b>		
<b>Subject</b>	<b>Citation</b>	<b>Description</b>
Actuarial Certification (Annual)	31A-43-302(2) & (3) R590-268-8	Due on or before April 1. A qualified actuary must certify to the carriers rating methods, compliance, and include all required data.
Plan of Orderly Withdrawal	31A-4-115	Prior to withdrawing from offering a line of insurance, a carrier must provide: -a notice of discontinuance at least 180 days prior to discontinuance to affected insureds, and -a request in writing, at least 30 working days prior to the 180 day requirement, for approval by the commissioner.